

RUSH TOWNSHIP
SHLAWASSEE COUNTY, MICHIGAN

ANNUAL FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

MARCH 31, 2008

Auditing Procedures Report

Instructions and MuniCodes

*=Required Fields

Reset Form

Issued under Public Act 2 of 1968, as amended. (V1.07)

Unit Name* RUSH TOWNSHIP	County* SHIAWASSEE	Type* TOWNSHIP	MuniCode* 78-1-110
Opinion Date-Use Calendar* Sep 4, 2008	Audit Submitted-Use Calendar* 10-16-08	Fiscal Year End Month* 03	Fiscal Year* 2008

If a local unit of government (authorities & commissions included) is operating within the boundaries of the audited entity and is NOT included in this or any other audit report, nor do they obtain a stand-alone audit, enclose the name(s), address(es), and a description(s) of the authority and/or commission.

Place a check next to each "Yes" or non-applicable question below. Questions left unmarked should be those you wish to answer "No."

<input checked="" type="checkbox"/> ?	1. Are all required component units/funds/agencies of the local unit included in the financial statements and/or disclosed in the reporting entity notes to the financial statements?
<input checked="" type="checkbox"/> ?	2. Does the local unit have a positive fund balance in all of its unreserved fund balances/unrestricted net assets?
<input type="checkbox"/> ?	3. Were the local unit's actual expenditures within the amounts authorized in the budget?
<input checked="" type="checkbox"/> ?	4. Is this unit in compliance with the Uniform Chart of Accounts issued by the Department of Treasury?
<input checked="" type="checkbox"/> ?	5. Did the local unit adopt a budget for all required funds?
<input checked="" type="checkbox"/> ?	6. Was a public hearing on the budget held in accordance with State statute?
<input checked="" type="checkbox"/> ?	7. Is the local unit in compliance with the Revised Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, and other guidance as issued by the Local Audit and Finance Division?
<input checked="" type="checkbox"/> ?	8. Has the local unit distributed tax revenues, that were collected for another taxing unit, timely as required by the general property tax act?
<input checked="" type="checkbox"/> ?	9. Do all deposits/investments comply with statutory requirements including the adoption of an investment policy?
<input checked="" type="checkbox"/> ?	10. Is the local unit free of illegal or unauthorized expenditures that came to your attention as defined in the Bulletin for Audits of Local Units of Government in Michigan, as revised (see Appendix H of Bulletin.)
<input checked="" type="checkbox"/> ?	11. Is the unit free of any indications of fraud or illegal acts that came to your attention during the course of audit that have not been previously communicated to the Local Audit and Finance Division? (If there is such activity, please submit a separate report under separate cover.)
<input type="checkbox"/> ?	12. Is the local unit free of repeated reported deficiencies from previous years?
<input checked="" type="checkbox"/> ?	13. Is the audit opinion unqualified? 14. If not, what type of opinion is it? NA
<input checked="" type="checkbox"/> ?	15. Has the local unit complied with GASB 34 and other generally accepted accounting principles (GAAP)?
<input checked="" type="checkbox"/> ?	16. Has the board or council approved all disbursements prior to payment as required by charter or statute?
<input checked="" type="checkbox"/> ?	17. To your knowledge, were the bank reconciliations that were reviewed performed timely?
<input type="checkbox"/> ?	18. Are there reported deficiencies? 19. If so, was it attached to the audit report?

General Fund Revenue: ?	\$ 164,364.00
General Fund Expenditure: ?	\$ 197,511.00
Major Fund Deficit Amount: ?	\$ 0.00

General Fund Balance: ?	\$ 128,674.00
Governmental Activities Long-Term Debt (see instructions): ?	

We affirm that we are certified public accountants (CPA) licensed to practice in Michigan. We further affirm the above responses have been disclosed in the financial statements, including the notes, or in the Management Letter (reported deviations).

CPA (First Name)* LORI	Last Name* CHANT	Ten Digit License Number* 1101020651		
CPA Street Address* 217 N WASHINGTON ST	City* OWOSSO	State* MI	Zip Code* 48867	Telephone* +1 (989) 723-8227
CPA Firm Name* DEMIS & WENZLICK, P.C.	Unit's Street Address* 202 S WEST STREET	Unit's City* HENDERSON	Unit's Zip* 48841	

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RUSH TOWNSHIP
LIST OF TOWNSHIP OFFICIALS
MARCH 31, 2008

Rod Spitler	Supervisor
Debbie Goschke	Clerk
Julie Sorenson	Treasurer
Lloyd Freeman	Trustee
Orren Spitler	Trustee



DEMIS and WENZLICK, P.C.

Certified Public Accountants

James Demis, Jr., C.P.A.
LaVearn G. Wenzlick, C.P.A.
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Erica Marks
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Tammy Pappas
David Pullen
Dean Roach
Vicki Schuler
Joyce Simmons
Barbara Wenzlick
Bruce Wenzlick

INDEPENDENT AUDITOR'S REPORT

Rush Township
Members of the Township Board
Shiawassee County, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, major funds and the aggregate remaining fund information of Rush Township as of and for the year ended March 31, 2008, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, major funds, and the aggregate remaining fund information of Rush Township as of March 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the budgetary comparison schedules as identified in the table of contents are not a required part of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Rush Township's basic financial statements. The introductory section and the other supplemental information, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The other supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Dennis and Wengrich, P.C.

Certified Public Accountants

Owosso, Michigan
September 4, 2008

RUSH TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is a discussion and analysis of Rush Township's (the Township's) financial performance and position, providing an overview of the activities for the year ended March 31, 2008. This analysis should be read in conjunction with the Independent Auditor's Report and with the Township's financial statements, which follow this section. The fiscal year ended March 31, 2008 represents the first year the Township has reported under the provisions of the Governmental Accounting Standards Board (GASB) No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, as amended by GASB Statement No. 37 Basic Financial Statement and Management's Discussion and Analysis for State and Local Governments – Omnibus and Statement No. 38 Certain Financial Statement Note Disclosures. Therefore, this discussion and analysis does not provide comparisons with previous years.

Financial Results

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended March 31, 2008:

Total Revenues of the Township were \$164,364 for the year. Major sources of revenues are as follows:

State shared revenue, one of our largest revenue sources in the General Fund was \$100,815, which is a small increase from 2007 of \$993.

Property tax revenues were \$47,496, an increase of \$2,163 over prior year.

Licenses and Permits fees collected amounted to \$3,492 for the year.

Township Expenditures were \$197,511 for the year.

Overall fund balance for the General Fund increased by \$20,365 to \$128,674 as of March 31, 2008.

Using this Annual Report

This annual report consists of series of financial statements. The statement of net assets and the statement of activities provide information about the activities of Rush Township as a whole and represent a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the operations of Rush Township in more detail than the government-wide financial statements by providing information about the Township's most significant funds.

RUSH TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS

Township as a Whole

The following table shows, in a condensed format, the net assets of the Township as of March 31, 2008:

Current Assets	\$ 473,680
Capital Assets (Net of Depreciation)	<u>565,117</u>
Total Assets	<u>\$1,038,797</u>
Current Liabilities	\$ 13,190
Noncurrent Liabilities	<u>205,000</u>
Total Liabilities	<u>\$ 218,190</u>
Net Assets	<u>\$ 820,607</u>

The following table shows the change in net assets for the year ended March 31, 2008:

Program Revenues:	
Charges for Services	\$ 26,681
General Revenues:	
State Shared Revenues	\$ 100,815
Property Tax Revenue	113,759
Metro Act Funds	3,901
Licenses and Permits	3,492
Investment Income	20,263
Other General Revenues	<u>2,773</u>
Total Revenues	<u>\$ 271,684</u>
Program Expenses:	
General Government	\$ 63,589
Public Safety	37,642
Public Works	103,090
Health & Welfare	15,870
Community & Economic Development	<u>475</u>
Total Expenses	<u>\$ 220,666</u>
Change in Net Assets	<u>\$ 51,018</u>

RUSH TOWNSHIP MANAGEMENT'S DISCUSSION AND ANALYSIS

The Township's Funds

The analysis of the Township's governmental funds begins on Page 9 following the government-wide financial statements. The fund financial statements provide detailed information about all the general government funds. The analysis of the Sewer Enterprise Fund is presented separately. Rush Township's Board of Trustees has the ability to create funds to help manage money for specific purposes as well as to show accountability for certain activities, such as property tax millages and special assessments.

The General Fund pays for the majority of the Township's governmental services. The Fire and Ambulance Fund pay for fire and ambulance protection. Funds are transferred from the Fire and Ambulance Fund to cover the Township's share of the fire and ambulance expenses. For the year \$53,512 was transferred from Fire and Ambulance Fund to the General Fund.

The General Fund paid \$74,539 for road maintenance during the year.

General Fund Budgetary Highlights

Budgeted revenues for the General Fund were \$138,550 compared to actual received of \$164,364.

Budgeted expenditures were \$214,240 compared to actual of \$197,511 (not including transfers).

Budgeted interfund transfers were \$53,512 incoming to General.

Capital Assets

At the end of the fiscal year, the Township had approximately \$192,256 (valued at historical cost) in assets which includes building, land, furniture, equipment, office equipment and software. Accumulated depreciation recorded for the general township assets was \$67,592. The Sewer Enterprise Fund assets were approximately \$524,349 (valued at historical cost). Accumulated depreciation recorded for Enterprise Fund assets was \$83,896.

Current Economic Factors

Revenue sharing is one of the most significant budgetary concerns at this time. The State of Michigan is experiencing significant budget problems, and as they look for solutions, revenue sharing continues to be under attack.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and demonstrate the Township's accountability for the money it receives. If you have questions about this report or need additional information, we encourage you to contact a Township Official at the Township Hall at (989) 729-2999.

RUSH TOWNSHIP
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
MARCH 31, 2008

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash & Cash Equivalents	\$237,288	\$ 93,477	\$ 330,765
Receivables	3,492	115,460	118,952
Internal Balances	13,010		13,010
Due from Other Gov't Units	6,053		6,053
Prepays	4,900		4,900
Capital Assets (Net)	<u>124,664</u>	<u>440,453</u>	<u>565,117</u>
TOTAL ASSETS	<u>\$389,407</u>	<u>\$649,390</u>	<u>\$1,038,797</u>
LIABILITIES			
Accounts Payable	\$ 690	\$ 5,738	\$ 6,428
Accrued Liabilities	1,142	5,620	6,762
Noncurrent Liabilities:			
Due within one year		10,000	10,000
Due in more than one year		<u>195,000</u>	<u>195,000</u>
TOTAL LIABILITIES	<u>\$ 1,832</u>	<u>\$216,358</u>	<u>\$ 218,190</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$124,664	\$235,453	\$ 360,117
Unreserved	<u>262,911</u>	<u>197,579</u>	<u>460,490</u>
TOTAL NET ASSETS	<u>\$387,575</u>	<u>\$433,032</u>	<u>\$ 820,607</u>

See accompanying notes to financial statements.

RUSH TOWNSHIP
GOVERNMENT WIDE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

	<u>Program Revenues</u>		<u>Net (Expenses) Revenues And Changes in Net Assets</u>		
	<u>Expenses</u>	<u>Charges For Services</u>	<u>Gov't Activities</u>	<u>Business Type Activities</u>	<u>Totals</u>
FUNCTIONS/PROGRAMS					
PRIMARY GOVERNMENT					
Governmental Activities:					
General Gov't	\$ 63,589	\$ 4,900	\$ (58,689)	\$	\$ (58,689)
Public Safety	37,642		(37,642)		(37,642)
Public Works	51,184	428	(50,756)		(50,756)
Health & Welfare	15,870		(15,870)		(15,870)
Comm. & Econ. Dev.	475		(475)		(475)
TOTAL GOV'T ACTIVITIES	<u>\$168,760</u>	<u>\$ 5,328</u>	<u>\$(163,432)</u>	<u>\$</u>	<u>\$(163,432)</u>
Business-Type Activities:					
Sewer	<u>\$ 51,906</u>	<u>\$21,353</u>	<u>\$</u>	<u>\$(30,553)</u>	<u>\$ (30,553)</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 51,906</u>	<u>\$21,353</u>	<u>\$</u>	<u>\$(30,553)</u>	<u>\$ (30,553)</u>
TOTAL PRIMARY GOV'T.			<u>\$(163,432)</u>	<u>\$(30,553)</u>	<u>\$(193,985)</u>
General Revenues:					
Property Taxes			\$ 113,759	\$	\$ 113,759
Licenses & Permits			3,492		3,492
State Shared Revenues			104,716		104,716
Unrestricted Investment Earnings			3,939	16,324	20,263
Miscellaneous Other Revenues			<u>2,773</u>		<u>2,773</u>
TOTAL GENERAL REVENUES			<u>\$ 228,679</u>	<u>\$ 16,324</u>	<u>\$ 245,003</u>
Change in Net Assets			\$ 65,247	\$(14,229)	\$ 51,018
Net Assets – Beginning			<u>322,328</u>	<u>447,261</u>	<u>769,589</u>
NET ASSETS – ENDING			<u>\$ 387,575</u>	<u>\$433,032</u>	<u>\$ 820,607</u>

See accompanying notes to financial statements.

RUSH TOWNSHIP
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2008

	<u>General</u>	<u>Fire & Ambulance</u>	<u>Total Gov't Funds</u>
ASSETS			
Cash & Cash Equivalents	\$106,662	\$130,626	\$237,288
Receivables	3,492		3,492
Due from Other Funds	12,981	29	13,010
Due from Other Gov't Units	2,471	3,582	6,053
Prepays	<u>4,900</u>		<u>4,900</u>
TOTAL ASSETS	<u>\$130,506</u>	<u>\$134,237</u>	<u>\$264,743</u>
LIABILITIES & FUND BALANCE			
LIABILITIES			
Accounts Payable	\$ 690	\$	\$ 690
Payroll Taxes Payable	<u>1,142</u>		<u>1,142</u>
TOTAL LIABILITIES	<u>\$ 1,832</u>	<u>\$</u>	<u>\$ 1,832</u>
FUND BALANCE			
Unreserved	<u>\$128,674</u>	<u>\$134,237</u>	<u>\$262,911</u>
TOTAL FUND BALANCE	<u>\$128,674</u>	<u>\$134,237</u>	<u>\$262,911</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$130,506</u>	<u>\$134,237</u>	<u>\$264,743</u>

See accompanying notes to financial statements.

RUSH TOWNSHIP
RECONCILIATION OF THE BALANCE SHEET
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
MARCH 31, 2008

TOTAL FUND BALANCES FOR GOVERNMENTAL FUNDS	\$262,911
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Total Net Assets Reported for Governmental Activities in the
Statement of Net Assets is different because:

Capital Assets used in Governmental Activities are not Financial Resources
and are not reported in the funds

The Cost of Capital Assets	\$192,256	
Accumulated Depreciation	<u>(67,592)</u>	
Capital Assets, Net	\$124,664	124,664

NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$387,575</u>
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See accompanying notes to financial statements.

RUSH TOWNSHIP
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED MARCH 31, 2008

	<u>General</u>	<u>Fire & Ambulance</u>	<u>Total Gov't Funds</u>
REVENUES			
Taxes & Penalties	\$ 47,496	\$ 66,263	\$113,759
Licenses & Permits	3,492		3,492
State Shared Revenues/Highway Funds	100,815		100,815
Metro Act	3,901		3,901
Charges for Services	4,900		4,900
Interest & Rentals	559	3,380	3,939
Other Revenue	<u>3,201</u>		<u>3,201</u>
TOTAL REVENUES	\$164,364	\$ 69,643	\$234,007
EXPENDITURES			
Current:			
General Gov't.	\$ 63,100	\$	\$ 63,100
Public Safety	37,642		37,642
Public Works	80,424		80,424
Health & Welfare	15,870		15,870
Comm. & Econ. Dev.	<u>475</u>		<u>475</u>
TOTAL EXPENDITURES	\$197,511	\$	\$197,511
EXCESS OF REVENUES OVER EXPENDITURES	\$ (33,147)	\$ 69,643	\$ 36,496
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 53,512	\$	\$ 53,512
Transfers Out	<u> </u>	<u>(53,512)</u>	<u>(53,512)</u>
TOTAL FINANCING SOURCES & USES	\$ 53,512	\$(53,512)	\$
Net Change in Fund Balance	\$ 20,365	\$ 16,131	\$ 36,496
Fund Balance – Beginning	<u>108,309</u>	<u>118,106</u>	<u>226,415</u>
FUND BALANCE – ENDING	<u>\$128,674</u>	<u>\$134,237</u>	<u>\$262,911</u>

See accompanying notes to financial statements.

RUSH TOWNSHIP
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 YEAR ENDED MARCH 31, 2008

Net Change in Fund Balances – Total Governmental Funds	\$36,496
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Total Change in Net Assets Reported for Governmental Activities in
 The Statement of Activities is different because:

Governmental Funds report capital outlays as expenditures.
 However, in the Statement of Activities the cost of those assets
 are allocated over their estimated useful lives and reported as
 depreciation expense.

Depreciation Expense	\$(8,452)	
Capital Outlay	<u>37,203</u>	<u>28,751</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$65,247</u>
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See accompanying notes to financial statements.

RUSH TOWNSHIP
STATEMENT OF NET ASSETS
PROPRIETARY FUND
MARCH 31, 2008

	Business-Type Activities <u>Enterprise Funds</u> <u>Sewer</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 93,477
Receivables	<u>115,460</u>
TOTAL CURRENT ASSETS	<u>\$208,937</u>
Capital Assets	\$524,349
Less: Accumulated Depreciation	<u>(83,896)</u>
NET PROPERTY, PLANT & EQUIPMENT	<u>\$440,453</u>
TOTAL ASSETS	<u>\$649,390</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 5,738
Accrued Liabilities	<u>5,620</u>
TOTAL CURRENT LIABILITIES	<u>\$ 11,358</u>
NONCURRENT LIABILITIES:	
Due within one year	\$ 10,000
Due in more than one year	<u>195,000</u>
TOTAL NONCURRENT LIABILITIES	<u>\$205,000</u>
TOTAL LIABILITIES	<u>\$216,358</u>
NET ASSETS:	
Invested in Capital Assets, Net of Related Debt	\$235,453
Unrestricted	<u>197,579</u>
TOTAL NET ASSETS	<u>\$433,032</u>

See accompanying notes to financial statements.

RUSH TOWNSHIP
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
YEAR ENDED MARCH 31, 2008

	Business-Type Activities <u>Enterprise Funds</u> <u>Sewer</u>
OPERATING REVENUES:	
Charges for Services	\$ 21,353
TOTAL OPERATING REVENUES	<u>\$ 21,353</u>
OPERATING EXPENSE:	
Operating	\$ 2,614
Maintenance	28,495
Agent Fees	350
Depreciation	<u>6,992</u>
TOTAL OPERATING EXPENSE	<u>\$ 38,451</u>
OPERATING INCOME (LOSS)	\$(17,098)
NON-OPERATING REVENUES (EXPENSES):	
Interest & Investment Revenues	\$ 16,324
Interest Expense	<u>(13,455)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>\$ 2,869</u>
Change in Net Assets	\$(14,229)
Net Assets – Beginning of Year	<u>447,261</u>
NET ASSETS – END OF YEAR	<u>\$433,032</u>

See accompanying notes to financial statements.

RUSH TOWNSHIP
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED MARCH 31, 2008

	Business-Type Activities <u>Enterprise Funds</u> <u>Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipt from Customer	\$ 33,780
Payment to Suppliers	<u>(25,844)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 7,936
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES:	
Principal Paid on Bonds	\$ (10,000)
Interest Paid on Bonds	<u>(13,744)</u>
NET CASH PROVIDED BY (USED) FOR CAPITAL & RELATED FINANCING ACTIVITIES	\$(23,744)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest Revenue	\$ <u>16,324</u>
NET CASH USED IN INVESTING ACTIVITIES	\$ 16,324
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	\$ 516
CASH & CASH EQUIVALENTS – BEGINNING OF YEAR	<u>92,961</u>
CASH & CASH EQUIVALENTS – END OF YEAR	\$ <u>93,477</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$(17,098)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	6,992
Change in Assets & Liabilities:	
Receivables	12,427
Accounts Payable	<u>5,615</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>7,936</u>

See accompanying notes to financial statements.

RUSH TOWNSHIP
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
MARCH 31, 2008

	<u>Current Tax Collection</u>
ASSETS:	
Cash & Cash Equivalents	\$13,396
TOTAL ASSETS	<u>\$13,396</u>
LIABILITIES:	
Due to Other Funds	\$13,010
Due to Other Governmental Units	<u>386</u>
TOTAL LIABILITIES	<u>\$13,396</u>

See accompanying notes to financial statements.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2008

NOTE A – DESCRIPTION OF TOWNSHIP OPERATIONS, FUND TYPES AND ACCOUNT GROUPS

The Township of Rush, Shiawassee County, Michigan was originally organized as a Township under provision of the constitution and general law of the State of Michigan. The Township operates under an elected Township Board which currently consists of a Supervisor, Clerk, Treasurer, and two (2) Trustees and provides services to its residents in many areas including general government, ambulance protection, fire protection and sewer utility services.

REPORTING ENTITY

As required by accounting principles generally accepted in the United States of America; GASB Statement 14, The Financial Reporting Entity; and Statement on Michigan Governmental Accounting and Auditing No. 5, these financial statements present the financial activities of Rush Township. Discretely presented components units are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government. The Township does not have any component units.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities, normally supported by taxes and inter-governmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants who purchase, use or directly benefit from goods, or privilege provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items properly excluded from program revenue are reported as general revenue.

Separate financial statements are provided for governmental funds, proprietary fund, and fiduciary funds, even though the latter excluded from the governmental-wide financial statements. Major individual governmental funds and the major enterprise funds are reported in separate columns in the fund financial statements.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT
PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual are property taxes, special assessments, licenses, interest revenue, and charges for services. Sales taxes collected and held by the state at year end on behalf of the government also are recognized as revenue. Fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fire and Ambulance Fund – Used to accounting for monies collected and disbursed for Township Fire and Ambulance Protection.

The government reports the following major proprietary funds:

Henderson Sanitary Sewer Fund – is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS AND BUDGETARY ACCOUNTING

The General and Special Revenue Funds budgets shown in the financial statements were presented when prepared on a basis not substantially different than the basis used to reflect actual results.

The Township follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the clerk submits to the Township Board a proposed operating budget for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted in the Township to obtain taxpayer comments.
3. Prior to April 1, the budget is legally enacted through board approval.
4. The clerk is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Township Board.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and Enterprise Funds.

CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents consist of checking, savings, money market accounts and certificates of deposit. The cash and cash equivalents are recorded at cost, which approximates market value. Cash equivalents consist of certificates of deposit with original maturities of 90 days or less.

PROPERTY TAX

Rush Township bills and collects its own property taxes and the tax levy for other governmental units. The Township's property tax revenue recognition policy and related tax calendar disclosures are as follows:

The Township's property tax is levied on December 1, are payable on February 14. The Township bills and collects its own property taxes and also taxes for the county and local school districts. Collections of the county and school taxes and remittances of them are accounted for in the current tax collection fund. Township property taxes are recognized when levied to the extent that they result in current receivables.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES AND NET ASSETS OR EQUITY

Cash and Investments – The Township has defined cash and cash equivalents to include cash on hand, demand deposits, and short-term investments with a maturity of 3 months or less when acquired.

Receivables and Payables – In general, outstanding balances between funds are reported as "due to/from other funds" activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Prepaid Items – Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets – Capital assets, which include property, plant, equipment, infrastructure assets (e.g. roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government assets with an initial individual cost of more than \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The Township began recording governmental infrastructure constructed on or after July 1, 2003 as followed by GASB 34.

Property, Plant and Equipment is depreciated using the straight line method over the following useful lives.

Building and Building Improvements	20 to 40 years
Utility Systems	75 years
Roads	5 to 20 years
Other Infrastructure	20 to 40 years
Machinery and Equipment	5 to 10 years

Long-Term Obligation – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net assets.

Fund Equity – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

COMPENSATED ABSENCES

The Township does not compensate employees for vacation time, sick time or any other absences.

POST-RETIREMENT HEALTH CARE BENEFITS

The Township does not provide post-retirement health care benefits.

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS

In accordance with Michigan Compiled Laws, the Township is authorized to invest in the following investment vehicles:

- a. Bonds, securities and other obligations of the United States or any agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a state or nationally chartered bank or a state or federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this state under the laws of this state or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the state under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being Section 21.145 and 21.146 of the Michigan Compiled Laws.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE C – CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Federal Deposit Insurance Corporation (FDIC) regulations provide that deposits of governmental units are to be separately insured for the amount of \$100,000 for deposits in an insured bank for savings deposits and \$100,000 for demand deposits. Furthermore, if specific deposits are regulated by statute or bond indenture, these specific deposits are to be separately insured for the amount of \$100,000. Michigan Compiled Laws allow for collateralization of government deposits if the assets for pledging are acceptable to the State Treasurer under Section 3 of 1855 PA 105, MCL 21.143, to secure deposits of state surplus funds, securities, issued by the Federal Loan Mortgage Corporation, Federal National Mortgage Association, or Government National Mortgage Association.

DEPOSITS

As of March 31, 2008, the carrying amount and the bank balances for each type of bank account are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Checking	\$215,120	\$215,120
Certificates of Deposit	<u>129,041</u>	<u>129,041</u>
	<u>\$344,161</u>	<u>\$344,161</u>

Deposits of the Township are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the Township. As of March 31, 2008, the Township accounts were insured by the FDIC for \$213,396 and the amount of \$130,765 was uninsured and uncollateralized.

Due to significant higher cash flow at certain periods during the year, the amount the Township held as cash and cash equivalents increased significantly. As a result, the amount of the uninsured and uncollateralized cash and cash equivalents were substantially higher at these peak periods than at year end.

NOTE D – INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>	
General	\$12,981			
Fire & Ambulance	<u>29</u>	Tax	<u>\$13,010</u>	Delinquent Tax and Interest Earned
	<u>\$13,010</u>		<u>\$13,010</u>	

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE E – INTERFUND OPERATING TRANSFERS

	<u>Transfer to Other Funds</u>	<u>Transfer from Other Funds</u>
General	\$	\$53,512
Fire & Ambulance	<u>53,512</u>	<u>53,512</u>
	<u>\$53,512</u>	<u>\$53,512</u>

Transfers are to cover expenditures of the Fire and Ambulance Fund to pay for fire and ambulance protection.

NOTE F – CAPITAL ASSETS

Capital assets activity of the primary government for the current year was as follows:

	<u>Balance 3-31-07</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 3-31-08</u>
GOVERNMENTAL ACTIVITIES:				
Capital Assets not being Depreciated:				
Land	\$ 100	\$	\$	\$ 100
Capital Assets being Depreciated:				
Buildings	47,792			47,792
Office Equipment	12,292			12,292
Infrastructure	<u>94,869</u>	<u>37,203</u>	<u> </u>	<u>132,072</u>
CAPITAL ASSETS BEING DEPRECIATED	<u>\$154,953</u>	<u>\$37,203</u>	<u>\$ </u>	<u>\$192,156</u>
LESS ACCUMULATED DEPRECIATION FOR:				
Buildings	\$ 36,971	\$ 344	\$	\$ 37,315
Office Equipment	12,074	145		12,219
Infrastructure	<u>10,095</u>	<u>7,963</u>	<u> </u>	<u>18,058</u>
ACCUMULATED DEPREC.	<u>\$ 59,140</u>	<u>\$ 8,452</u>	<u>\$ </u>	<u>\$ 67,592</u>
Net Capital Assets being Depreciated	<u>95,813</u>	<u>28,751</u>	<u> </u>	<u>124,564</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 95,913</u>	<u>\$28,751</u>	<u>\$ </u>	<u>\$124,664</u>

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE F – CAPITAL ASSETS (CONTINUED)

	Balance <u>3-31-07</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>3-31-08</u>
BUSINESS-TYPE ACTIVITIES:				
CAPITAL ASSETS BEING DEPRECIATED:				
Sewer System	\$ <u>524,349</u>	\$ _____	\$ _____	\$ <u>524,349</u>
CAPITAL ASSETS BEING DEPRECIATED	\$ <u>524,349</u>	\$ _____	\$ _____	\$ <u>524,349</u>
LESS ACCUMULATED DEPRECIATION FOR:				
Sewer System	\$ <u>76,905</u>	\$ <u>6,991</u>	\$ _____	\$ <u>83,896</u>
ACCUMULATED DEPREC.	\$ <u>76,905</u>	\$ <u>6,991</u>	\$ _____	\$ <u>83,896</u>
Net Capital Assets being Deprec.	\$ <u>447,444</u>	\$ <u>(6,991)</u>	\$ _____	\$ <u>440,453</u>
BUSINESS-TYPE CAPITAL ASSETS, NET	\$ <u>447,444</u>	\$ <u>(6,991)</u>	\$ _____	\$ <u>440,453</u>
Government Activities:				
General Government		\$ 489		
Infrastructure		<u>7,963</u>		
TOTAL GOVERNMENT ACTIVITIES		\$ <u>8,452</u>		
Business-Type Activities:				
Sewer		\$ <u>6,991</u>		
TOTAL BUSINESS-TYPE ACTIVITIES		\$ <u>6,991</u>		

NOTE G – RISK MANAGEMENT

The Township participates in a pool, the Michigan Township Participating Plan with other municipalities for various risks of loss including employer's liability, errors and omissions, and property and casualty losses. The pool is organized under Public Act 138 of 1982, as amended. The Township has no liability for additional assessments based on the claims filed against the pool nor do they have any rights to dividends.

The Township also maintains commercial insurance coverage for workers' compensation.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE H – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated.

In the body of the general purpose financial statements, the Township's budgeted expenditures in the General and Special Revenue Funds have been shown at the functional classification level. The approved budgets of the Township have been adopted at the activity level for the General Fund and the total expenditure level for the Special Revenue Fund.

During the period ended March 31, 2008, the Township incurred expenditures in excess of the amounts appropriated as follows:

	<u>Appropriated</u>	<u>Amounts Expended</u>	<u>Variance</u>
Supervisor	\$5,550	\$6,000	\$ 450
Clerk	5,700	6,100	400
Assessor	10,700	11,417	717
Elections	452	1,022	570
Town Hall	2,808	2,898	90

NOTE I – SEWER FUND

On April 1, 1996, the Township of Rush entered into a contract with Shiawassee County whereby the county agreed to finance the cost of acquisition of sanitary sewage system for the Township. Pursuant to this agreement, Shiawassee County issued \$270,000 of its bonds. As of March 31, 2008, \$205,000 of these bonds were outstanding. The bonds are payable primarily from monies derived from payments to be made by the Township to the county in accordance with the terms of the contract.

The contribution in aid of construction is amortized by the same method and over the same life as the assets are depreciated.

RUSH TOWNSHIP
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
MARCH 31, 2008

NOTE 1 – SEWER FUND (CONTINUED)

Annual debt service requirements to maturity (principal only) are as follows:

<u>Fiscal Year</u> <u>Ending 3-31-08</u>	<u>Principal Amount</u>
2009	\$ 10,000
2010	10,000
2011	10,000
2012	10,000
2013	10,000
2014 – 2018	75,000
2019 – 2021	<u>80,000</u>
	<u>\$205,000</u>

REQUIRED SUPPLEMENTARY INFORMATION

RUSH TOWNSHIP
REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED MARCH 31, 2008

	<u>Budgeted Amounts</u>			Actual (Over) Under
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:				
Taxes & Penalties	\$	\$	\$ 47,496	\$
Licenses & Permits			3,492	
State Grants/Shared Revenue			104,716	
Charges for Services			4,900	
Interest			559	
Other Revenue			<u>3,201</u>	
TOTAL REVENUES	<u>\$138,550</u>	<u>\$138,550</u>	<u>\$164,364</u>	<u>\$(25,814)</u>
EXPENDITURES:				
Current:				
General Government	\$ 69,790	\$ 69,165	\$ 63,100	\$ 6,065
Public Safety	37,700	37,700	37,642	58
Public Works	90,350	90,975	80,424	10,551
Health & Welfare	15,900	15,900	15,870	30
Comm. & Econ. Development	<u>500</u>	<u>500</u>	<u>475</u>	<u>25</u>
TOTAL EXPENDITURES	<u>\$214,240</u>	<u>\$214,240</u>	<u>\$197,511</u>	<u>\$ 16,729</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$(75,690)</u>	<u>\$(75,690)</u>	<u>\$(33,147)</u>	<u>\$(42,543)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In	<u>\$ 53,600</u>	<u>\$ 53,600</u>	<u>\$ 53,512</u>	<u>\$ 88</u>
Net Change in Fund Balance	(22,090)	(22,090)	20,365	(42,455)
Fund Balance – Beginning	<u>108,309</u>	<u>108,309</u>	<u>108,309</u>	<u>_____</u>
FUND BALANCE – ENDING	<u>\$ 86,219</u>	<u>\$ 86,219</u>	<u>\$128,674</u>	<u>\$(42,455)</u>

See accompanying notes to financial statements.

OTHER SUPPLEMENTARY INFORMATION

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
COMPARATIVE BALANCE SHEET
MARCH 31, 2008 AND 2007

GENERAL FUND

	<u>2008</u>	<u>2007</u>
ASSETS:		
Cash & Cash Equivalents	\$106,662	\$ 88,634
Due from Tax Account	12,981	9,797
Due from Other Gov't Units	2,471	2,792
Receivables	3,492	3,425
Prepaid Insurance	<u>4,900</u>	<u>5,349</u>
	<u>\$130,506</u>	<u>\$109,997</u>
LIABILITIES:		
Accounts Payable	\$ 690	\$ 580
Payroll Taxes Payable	<u>1,142</u>	<u>1,108</u>
TOTAL LIABILITIES	\$ 1,832	\$ 1,688
GENERAL FUND BALANCE	<u>128,674</u>	<u>108,309</u>
TOTAL LIABILITIES & GENERAL FUND BALANCE	<u>\$130,506</u>	<u>\$109,997</u>

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2008 AND 2007

GENERAL FUND

		<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	Actual (Over) <u>Under Budget</u>	<u>Actual</u>
REVENUES:				
Property Taxes	\$	\$ 47,496	\$	\$ 45,332
Licenses & Permits		3,492		3,425
State Shared Revenues		104,716		103,760
Charges for Services		4,900		2,400
Interest Earned		559		504
Other Program Revenues		428		428
Miscellaneous		<u>2,773</u>		<u>2,650</u>
TOTAL REVENUES	<u>\$138,550</u>	<u>\$164,364</u>	<u>\$(25,814)</u>	<u>\$158,499</u>
EXPENDITURES:				
Township Board:				
Trustee Salaries	\$	\$ 1,680	\$	\$ 1,320
Office Salary		2,679		2,540
Office Supplies		507		769
Transportation		25		
Dues		761		729
Seminar		<u>30</u>		<u>30</u>
TOTAL TOWNSHIP BOARD	<u>\$ 8,805</u>	<u>\$ 5,682</u>	<u>\$ 3,123</u>	<u>\$ 5,388</u>
Supervisor:				
Salary	\$	<u>\$ 6,000</u>	\$	<u>\$ 6,000</u>
TOTAL SUPERVISOR	<u>\$ 5,550</u>	<u>\$ 6,000</u>	<u>\$ (450)</u>	<u>\$ 6,000</u>
Clerk:				
Salary	\$	<u>\$ 6,100</u>	\$	<u>\$ 6,088</u>
TOTAL CLERK	<u>\$ 5,700</u>	<u>\$ 6,100</u>	<u>\$ (400)</u>	<u>\$ 6,088</u>
Board of Review:				
Salaries	\$	\$ 600	\$	\$ 675
Publishing		<u>48</u>		<u>43</u>
TOTAL BOARD OF REVIEW	<u>\$ 1,000</u>	<u>\$ 648</u>	<u>\$ 352</u>	<u>\$ 718</u>
Treasurer:				
Salary	\$	\$ 7,500	\$	\$ 7,500
Office Supplies		615		294
Printing, Publishing		<u>113</u>		<u>1,067</u>
TOTAL TREASURER	<u>\$ 9,200</u>	<u>\$ 8,228</u>	<u>\$ 972</u>	<u>\$ 8,861</u>

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET (CONTINUED)
YEAR ENDED MARCH 31, 2008 AND 2007

GENERAL FUND

		<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over)</u> <u>Under Budget</u>	<u>Actual</u>
EXPENDITURES:				
Assessor:				
Contractual Service	\$	\$ 10,600	\$	\$ 10,600
Office Supplies		817		1,003
TOTAL ASSESSOR	\$ 10,700	\$ 11,417	\$ (717)	\$ 11,603
Elections:				
Salaries	\$	\$ 512	\$	\$ 1,145
Operating Supplies		475		979
Printing & Publishing		35		
TOTAL ELECTIONS	\$ 452	\$ 1,022	\$ (570)	\$ 2,124
Town Hall:				
Communications	\$	\$ 1,071	\$	\$
Utilities		1,827		2,533
Repairs				355
TOTAL TOWN HALL	\$ 2,808	\$ 2,898	\$ (90)	\$ 2,888
Cemetery:				
Salary	\$	\$ 4,920	\$	\$ 4,920
Internments		1,900		2,100
Repairs		10		105
Equipment Rentals		1,200		1,020
TOTAL CEMETERY	\$ 9,000	\$ 8,030	\$ 970	\$ 8,145
Other General Government:				
Audit	\$ 4,800	\$ 4,700	\$ 100	\$ 4,550
Attorney	400	353	47	150
Insurance	6,200	5,795	405	5,453
Payroll Taxes	4,550	2,227	2,323	2,188
TOTAL OTHER GENERAL GOVT	\$ 15,950	\$ 13,075	\$ 2,875	\$ 12,341
Public Safety:				
Fire Protection	\$ 37,700	\$ 37,642	\$ 58	\$ 35,665
TOTAL PUBLIC SAFETY	\$ 37,700	\$ 37,642	\$ 58	\$ 35,665

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET (CONTINUED)
YEAR ENDED MARCH 31, 2008 AND 2007

GENERAL FUND

		<u>2008</u>		<u>2007</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over)</u> <u>Under Budget</u>	<u>Actual</u>
EXPENDITURES:				
Public Works:				
Drains	\$ 1,375	\$ 1,352	\$ 23	\$ 1,352
Roads	85,000	74,539	10,461	82,641
Street Lighting	<u>4,600</u>	<u>4,533</u>	<u>67</u>	<u>4,438</u>
TOTAL PUBLIC WORKS	\$ 90,975	\$ 80,424	\$ 10,551	\$ 88,431
Health & Welfare:				
Ambulance Protection	\$ <u>15,900</u>	\$ <u>15,870</u>	\$ <u>30</u>	\$ <u>15,810</u>
TOTAL HEALTH & WELFARE	\$ 15,900	\$ 15,870	\$ 30	\$ 15,810
Comm. & Econ. Development:				
Planning Commission	\$ <u>500</u>	\$ <u>475</u>	\$ <u>25</u>	\$ <u>475</u>
TOTAL COMM. & ECON. DEV.	\$ 500	\$ 475	\$ 25	\$ 475
TOTAL EXPENDITURES	<u>\$214,240</u>	<u>\$197,511</u>	<u>\$ 16,729</u>	<u>\$204,537</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$(75,690)	\$(33,147)	\$(42,543)	\$(46,038)
OTHER SOURCES (USES) OF FUNDS:				
Transfer In	\$ <u>53,600</u>	\$ <u>53,512</u>	\$ <u>88</u>	\$ <u>51,475</u>
TOTAL OTHER SOURCES (USES) OF FUNDS	\$ 53,600	\$ 53,512	\$ 88	\$ 51,475
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES OF FUNDS	<u>\$(22,090)</u>	\$ 20,365	<u>\$(42,455)</u>	\$ 5,437
Fund Balance April 1,		<u>108,309</u>		<u>102,872</u>
FUND BALANCE MARCH 31,		<u>\$128,674</u>		<u>\$108,309</u>

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
COMPARATIVE BALANCE SHEET
MARCH 31, 2008 AND 2007

FIRE AND AMBULANCE FUND

	<u>2008</u>	<u>2007</u>
ASSETS:		
Cash & Cash Equivalents	\$130,626	\$114,032
Due from Tax Account	29	
Due from Other Governmental Units	<u>3,582</u>	<u>4,074</u>
	<u>\$134,237</u>	<u>\$118,106</u>
 FUND BALANCE	 <u>\$134,237</u>	 <u>\$118,106</u>

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES AND CHANGES
IN FUND BALANCE COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2008 AND 2007

FIRE AND AMBULANCE FUND

	<u>2008</u>		<u>2007</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Actual (Over) Under Budget</u>	<u>Actual</u>
REVENUES:				
Property Taxes	\$ 53,600	\$ 66,263	\$(12,663)	\$ 63,279
Interest Earned		<u>3,380</u>	<u>(3,380)</u>	<u>2,430</u>
TOTAL REVENUES	\$ 53,600	\$ 69,643	\$(16,043)	\$ 65,709
EXPENDITURES	\$ _____	\$ _____	\$ _____	\$ _____
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ 53,600	\$ 69,643	\$(16,043)	\$ 65,709
OTHER SOURCES (USES) OF FUNDS:				
Transfers Out	<u>(53,600)</u>	<u>(53,512)</u>	<u>88</u>	<u>(51,475)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER SOURCES (USES) OF FUNDS	\$ _____	\$ 16,131	\$ <u>(16,131)</u>	\$ 14,234
Fund Balance April 1,		<u>118,106</u>		<u>103,872</u>
FUND BALANCE MARCH 31,		<u>\$134,237</u>		<u>\$118,106</u>

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
HENDERSON SEWAGE DISPOSAL SYSTEM
COMPARATIVE BALANCE SHEET
MARCH 31, 2008 AND MARCH 31, 2007

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS:		
Cash & Cash Equivalents	\$ 93,477	\$ 92,961
Interest Receivable	1,978	1,559
Assessment Receivable – Current	<u>9,241</u>	<u>9,294</u>
TOTAL CURRENT ASSETS	\$104,696	\$103,814
PROPERTY AND PLANT:		
Sewer System	\$524,349	\$524,349
Accumulated Depreciation	<u>83,896</u>	<u>76,904</u>
TOTAL PROPERTY & PLANT	\$440,453	\$447,445
OTHER ASSETS:		
Assessments Receivable – Long-Term	\$100,586	\$114,306
Operation & Maintenance Receivable	<u>3,655</u>	<u>2,728</u>
TOTAL OTHER ASSETS	<u>\$104,241</u>	<u>\$117,304</u>
	<u>\$649,390</u>	<u>\$668,293</u>

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
HENDERSON SEWAGE DISPOSAL SYSTEM
COMPARATIVE BALANCE SHEET (CONTINUED)
MARCH 31, 2008 AND MARCH 31, 2007

LIABILITIES AND FUND EQUITY

	<u>2008</u>	<u>2007</u>
CURRENT LIABILITIES:		
Current Maturities on Long-Term Debt	\$ 10,000	\$ 10,000
Accrued Interest Payable	5,620	5,909
Accounts Payable	<u>5,738</u>	<u>123</u>
TOTAL CURRENT LIABILITIES	\$ 21,358	\$ 16,032
 LONG-TERM LIABILITIES:		
Bond Payable, Less Current Maturities	<u>\$195,000</u>	<u>\$205,000</u>
TOTAL LONG-TERM LIABILITIES	\$195,000	\$205,000
 FUND EQUITY:		
Contribution in Aid of Construction –		
Assessments	\$320,149	\$320,149
Accumulated Amortization – Assessment	(51,228)	(46,959)
Contribution in Aid of Construction – State	214,050	214,050
Accumulated Amortization – State	<u>(34,248)</u>	<u>(31,394)</u>
	\$448,723	\$455,846
Retained Earnings	<u>(15,691)</u>	<u>(8,585)</u>
TOTAL FUND EQUITY	<u>\$433,032</u>	<u>\$447,261</u>
	<u>\$649,390</u>	<u>\$668,293</u>

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
HENDERSON SEWAGE DISPOSAL SYSTEM
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS COMPARED TO BUDGET
YEARS ENDED MARCH 31, 2008 AND MARCH 31, 2007

		<u>2008</u>		<u>2007</u>
	<u>Amended Budget</u>	<u>Actual</u>	<u>Actual (Over) Under Budget</u>	<u>Actual</u>
OPERATING REVENUES:				
Sewer Revenues	\$	\$ 19,980	\$	\$ 14,608
Penalties		<u>1,373</u>		<u>1,013</u>
TOTAL OPERATING REVENUES	\$ 43,000	\$ 21,353	\$ 21,647	\$ 15,621
OPERATING EXPENSES:				
Operation	\$	\$ 2,614	\$	\$ 2,236
Maintenance & Miscellaneous		28,496		12,143
Agent Fees		350		350
Depreciation		<u>6,991</u>		<u>6,991</u>
TOTAL OPERATING EXPENSES	\$ 40,000	\$ 38,451	\$ 1,549	\$ 21,720
OPERATING INCOME (LOSS)	\$ 3,000	\$(17,098)	\$ 20,098	\$ (6,099)
NON-OPERATING REVENUES (EXPENSES):				
Interest on Sewer Debt		\$ 15,789		\$ 13,243
Investment Interest		535		558
Interest Expense		<u>(13,455)</u>		<u>(14,143)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$	\$ 2,869	\$ (2,869)	\$ (342)
INCOME (LOSS) BEFORE AMORTIZATION	\$ 3,000	\$(14,229)	\$(17,229)	\$ (6,441)
Current Year Amortization of Contribution in Aid of Construction				
Assessment		\$ 4,269		\$ 4,269
State		<u>2,854</u>		<u>2,854</u>
		\$ 7,123		\$ 7,123
Retained Earnings April 1		<u>(8,585)</u>		<u>(9,267)</u>
RETAINED EARNINGS MARCH 31		\$ (15,691)		\$ (8,585)

RUSH TOWNSHIP
SCHEDULE OF BONDED DEBT – 1996
SHIAWASSEE COUNTY SEWAGE DISPOSAL
GENERAL OBLIGATION BOND ISSUE
MARCH 31, 2008

Purpose of Issue: Acquisition of Sanitary Sewage System

Method of Payment: Revenue from Debt of Taxpayers

Date of Issue: April 1, 1996

Interest Rate: Varies

Total

Amount Authorized and Sold \$270,000

Bonds Outstanding March 31, 2008 \$205,000

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>
05-01-08	6.875%	\$10,000	\$ 6,700
11-01-08	6.875%		6,356
05-01-09	6.875%	10,000	6,356
11-01-09	6.875%		6,013
05-01-10	6.875%	10,000	6,013
11-01-10	6.500%		5,688
05-01-11	6.500%	10,000	5,688
11-01-11	6.500%		5,363
05-01-12	6.500%	10,000	5,363
11-01-12	6.500%		5,037
2013-2017	6.500%	75,000	38,187
2018-2021	6.500%	80,000	10,400

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
COMPARATIVE BALANCE SHEET
FIDUCIARY FUND
MARCH 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
	<u>Current Tax Collection</u>	<u>Current Tax Collection</u>
ASSETS:		
Cash & Cash Equivalents	\$13,396	\$9,797
	<u>\$13,396</u>	<u>\$9,797</u>
LIABILITIES:		
Due to Other Funds	\$13,010	\$9,797
Due to Other Taxing Entities	74	
Due to County	<u>312</u>	<u> </u>
	\$13,396	\$9,797
FUND BALANCES:		
Fund Balances	\$ <u> </u>	\$ <u> </u>
	<u>\$13,396</u>	<u>\$9,797</u>

RUSH TOWNSHIP
OTHER SUPPLEMENTAL INFORMATION
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
YEAR ENDED MARCH 31, 2008 AND 2007

CURRENT TAX COLLECTION FUND

	<u>2008</u>	<u>2007</u>
BALANCE APRIL 1	\$ 9,797	\$ 9,420
RECEIPTS:		
Current Property Taxes & Assessments	\$1,004,871	\$ 953,924
Delinquent Taxes, Penalties	11,578	9,229
Dog Licenses	90	100
Tax Collection Fees	10,540	12,460
Overpayments & Reimbursements	<u>20</u>	<u>6</u>
	<u>\$1,027,099</u>	<u>\$975,719</u>
TOTAL RECEIPTS AND BEGINNING BALANCE	\$1,036,896	\$985,139
DISBURSEMENTS:		
Shiawassee County	\$ 633,177	\$602,451
Owosso Schools	170,174	165,927
Chesaning Schools	2,832	2,522
Ovid-Elsie Schools	31,579	30,888
Saginaw ISD	988	880
Clinton County RESA	12,602	11,606
Rush Township	124,363	116,376
Shiawassee District Library	47,765	44,692
Refunds & Fees	<u>20</u>	<u></u>
TOTAL DISBURSEMENTS	<u>\$1,023,500</u>	<u>\$975,342</u>
BALANCE MARCH 31,	\$ <u>13,396</u>	\$ <u>9,797</u>



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Joyce Simmons
Barbara Wenzlick
Bruce Wenzlick

September 4, 2008

Members of the Township Board
Rush Township
Shiawassee County, Michigan

In compliance with the provisions of Section 11, Paragraph 2, of Act 2, Public Acts of 1968, we wish to render our report of comments and recommendations which were formulated as a result of the audit our firm performed on the financial statements of Rush Township, for the year ended March 31, 2008.

BUDGET

The State Revenue Sharing Distribution Law, P.A. 176 of 1980, includes a compliance requirement in budgeting. It is important under this act that expenditures do not exceed the budget. Expenditures include accounts payable at March 31. Budgeted expenditures cannot exceed budgeted revenue plus the beginning fund balance. During our audit we noticed certain expenditures exceeding budgeting amounts. Care should be taken that expenditures do not exceed the budget. Amendments, if any, must occur before March 31.

We wish to thank the board for the excellent cooperation we received in performing the Township audit. If we can be of any further assistance to the Township, please contact us.

Sincerely yours,

Demis and Wenzlick, P.C.

Certified Public Accountants